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## **MERCHANT ACCOUNT ACTIVATION SYSTEM**

### **TECHNICAL FIELD**

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This invention relates to electronic commerce and, more particularly, relates to a system for electronically activating merchant accounts and ordering point-of-service merchant account equipment, typically over the Internet.

### **BACKGROUND OF THE INVENTION**

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Merchant accounts allow businesses to accept payment by credit cards and other payment instruments that rely on remote validation and/or transaction processing. For convenience, merchant accounts will be described in the context of credit cards. Nevertheless, it should be understood that merchant accounts may also be used in connection with other payment instruments that rely on remote payment-source validation and/or transaction processing, such as debit cards, smart cards, wire transfers, money orders, traveler's checks, personal checks, and various types of e-money. In fact, the merchant accounts described in this specification may be used in connection with any type of financial transaction system that uses some type of remote payment-source validation and/or remote transaction processing.

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Basically, a "merchant account" is a contractual arrangement between a merchant and an "acquirer," such as First Data Merchant Services, that remotely processes financial transactions conducted by the merchant. For example, the merchant accepts credit-card transactions as payment for goods or

services provided to its customers, and the acquirer performs the services of remote credit card validation and transaction processing. Typically, the merchant enters information from the magnetic strip on the credit card into a point-of-sale terminal using a "card swipe" reader or a keypad on the terminal. In response, the terminal automatically places a telephone call to the acquirer's computer system, which performs the validation and transaction processing operations. Specifically, if the credit card is validated, the acquirer charges the cost of the transaction to the customer's credit card account, and credits the corresponding value to the merchant's account. To provide these services, the acquirer maintains contractual relationships and electronic communication capabilities with all or many of the major credit card issuers. This allows the acquirer to validate the credit cards and process the transactions in "real time" at the time of the transaction. For this service, the acquirer charges a small fee per transaction.

To establish this type of merchant account, the merchant typically applies for the account by filling out a written application. The merchant account application includes information relating to the type of business, its location, sales data, owners, bank accounts, authorization to pay for the merchant account services, and so forth. After receiving the written application, the acquirer manually transcribes the information from the application into the acquirer's computer system. The acquirer then conducts a credit check and, based on the merchant's credit rating and type of business, determines a fee schedule and associated terms and conditions for providing the merchant account services. The acquirer then incorporates this information into a written contract, which is delivered to the merchant.

If the merchant agrees to the fee schedule and associated terms and conditions, the merchant signs the contract and returns it to the acquirer. At this point, the merchant may also order one or more point-of-sale terminals from the acquirer for use in accepting credit card payments. To enable the acquirer's computer system to communicate with each point-of-sale terminal, the merchant obtains telephone service for each point-of-sale terminal and specifies the associated telephone directory number for each point-of-sale terminal. Upon receipt of the executed contract and the point-of-sale equipment order, the acquirer assigns the merchant a "Merchant Identification Number" (MID). The

acquirer also assigns each point-of-sale terminal a "Terminal Identification Number" (TID), loads operating software onto the point-of-sale terminals, and configures each terminal with the associated MID/TID and the appropriate telephone number for accessing the acquirer's computer system.

5 The acquirer also provisions its master account file with a record for the new merchant account, including the MID/TID information, the telephone directory number assigned to each point-of-sale terminal (or alternatively using network codes), and other information related to the operation of the account, such as accounting and billing schedules. The acquirer is now ready to receive and process credit card transactions for the merchant account via telephone calls placed from the merchant's point-of-sale terminals to the telephone number assigned to the acquirer's computer system. In addition, the acquirer has the ability to place telephone calls to remotely access the point-of-sale terminals. This allows the acquirer to reconfigure each point-of-sale terminal, for example by downloading new operating software, changing the MID/TID data, altering the telephone number for accessing the acquirer's computer system, and so forth. This may include alteration of file layouts for sending or receiving data transmissions.

20 The acquirer then ships the point-of-sale terminals to the merchant, who connects each terminal to its associated telephone line or wireless unit. The merchant is now ready to begin accepting credit card transactions. It should be noted that as an alternative to obtaining new point-of-sale equipment as described above, the merchant may use existing point-of-sale equipment. For example, the merchant may already own one or more point-of-sale terminals for use in a new merchant account relationship. In this case, the acquirer may remotely reprogram each point-of-sale terminal by placing a telephone call to the terminal and downloading new operating software and/or configuration data. Alternatively, the merchant may ship the terminals to the acquirer for reprogramming. That is, there are several methods for authorizing a merchant to use a merchant account and ensuring that the MID/TID and telephone information maintained in the merchant's point-of-sale terminal is consistent with that maintained in the acquirer's master account file. The process of

accomplishing this result is known as "activating" the merchant account for credit-card transactions.

Although the activation process described above has worked well, it can take several days or weeks to complete. In particular, the use of the mail to deliver the merchant account application to the merchant, and then to receive the completed application from the merchant, typically takes about a week. The data transcription and approval process often takes another week. The process of configuring and delivering one or more point-of-sale terminals to the merchant may take yet another week. In today's world of e-commerce and fast-paced business decisions, this old-world merchant account activation system may unnecessarily delay the start up of new business ventures. Therefore, there is a need for a faster and more efficient system for activating merchant accounts.

#### SUMMARY OF THE INVENTION

The present invention meets the needs described above in an electronic merchant account activation system, typically implemented using the Internet. This system allows a merchant to complete the merchant account application and agree to its terms and conditions in a matter of minutes during a single on-line session. The completion of the merchant account application results in a web-based collection of data that automatically populates corresponding data fields in the acquirer's master account file and the related activation systems. Using this information, the merchant account activation system automatically conducts a credit check and evaluates the applicant's credit risk in a process known as on-line "scoring." The application then receives an immediate accept or reject decision during the on-line session. If the application is accepted, the merchant may also order point-of-sale terminals for use in connection with the new merchant account. The acquirer then configures its master account file and the point-of-sale terminals, and ships the point-of-sale terminals for delivery to the merchant. If the merchant selects overnight delivery, the merchant may be able to begin using the new merchant account as soon as the next business day.

Alternatively, the merchant may elect to have its existing point-of-sale terminals reprogrammed for use with the new merchant account. In this case, the acquirer responds to an approved application by placing telephone calls to

the merchant's existing point-of-sale terminals and reprogramming those terminals for use with the new merchant account. In either case, the merchant may also order supplies during the on-line session, such as credit-card receipts and rolls of paper for use with the point-of-sale terminals. Optionally, the merchant may purchase other goods and services during the on-line session, such as software for operating an on-line store, information relating to financing alternatives, cash registers, customized stationary, and a wide variety of other supplies and information related to the operation of the merchant's business.

Upon receiving a new merchant account application, the merchant activation system also transmits a visitation request to a visitation department or company. This entity typically makes a physical visit to the merchant's premises to verify that the applicant requesting the merchant account actually exists and appears to be in the identified business. The visitation department or company then returns a verification indicating that the visitation has occurred and whether the applicant appears to be in the identified business. The acquirer typically enters the visitation verification into the merchant's record in the master account file to complete the record.

Generally described, the invention includes a method and system for activating a merchant account for use in connection with a point-of-sale terminal. Many of the steps of the method are typically performed by a merchant activation routine running on an Internet server operated by an acquirer, such as First Data Merchant Services. An applicant for a merchant account may apply for the account during an on-line session conducted with this Internet server. To begin the process, the merchant activation routine receives information from an applicant to complete an application for the merchant account. The applicant typically fills in blanks in a series of on-line screens to complete the application. The merchant activation routine also receives information from the applicant selecting a point-of-sale terminal for use in connection with the merchant account. The merchant activation routine then displays terms and conditions to the applicant relating to the administration of the merchant account, and receives an indication of acceptance of the terms and conditions from the applicant. The terms and conditions typically include a fee schedule for services relating to the administration of the merchant account.

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Additionally, during the on-line session, the merchant activation routine may display a menu of point-of-sale terminal options and a view control item in association with each option. The merchant activation routine may then receive a user command selecting a particular view control item. In response, the merchant activation routine displays an image depicting the point-of-sale terminal associated with the selected view control item.

The merchant activation routine may also receive a business type designation from the applicant. The merchant activation routine then determines a business risk category associated with the business type designation. Based on the business risk category associated with the business type designation, the merchant activation routine implements risk adjustment measures. For example, the merchant activation routine may display a menu of risk adjustment measures and receive a user command from the applicant indicating a preferred risk adjustment selection. The merchant activation routine may then implement the risk adjustment measures based on the preferred risk adjustment selection.

Specifically, the merchant activation routine may determine a reserve requirement for the account, display the reserve requirement to the applicant, and receive a user command from the applicant accepting the reserve requirement. Alternatively or additionally, the merchant activation routine may determine a risk-adjusted fee schedule for the account, display the risk-adjusted fee schedule to the applicant, and receive a user command from the applicant accepting the risk-adjusted fee schedule.

Thus, the invention allows a merchant to activate a merchant account during a single on-line session. After completing the on-line application, the merchant can begin accepting credit-card transactions as soon as the associated point-of-sale terminal is received or reprogrammed, which may be the next business day. That the invention improves over the drawbacks of previous methods for activating merchant accounts and accomplishes the advantages described above will become apparent from the following detailed description of the exemplary embodiments and the appended drawings and claims.

## BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is a block diagram illustrating a merchant account activation system in which a point-of-sale terminal is shipped to the merchant.

FIG. 2 is a block diagram illustrating a merchant account activation system in which a point-of-sale terminal in the possession of the merchant is reprogrammed.

FIG. 3 is a logic flow diagram illustrating the operation of a merchant account activation routine.

FIG. 4 is a logic flow diagram illustrating a routine for obtaining merchant account information in a merchant account activation routine.

FIG. 5 is a logic flow diagram illustrating a routine for activating high risk measures in a merchant account activation routine.

FIG. 6 is a logic flow diagram illustrating a routine for accepting a point-of-sale terminal order in a merchant account activation routine.

FIG. 7 is a logic flow diagram illustrating a routine for configuring a master account file and a point-of-sale terminal in a merchant account activation routine.

FIG. 8 is an illustration of a display screen for receiving a business type designation in a merchant account activation routine.

FIG. 9 is an illustration of a display screen stating business type conditions in a merchant account activation routine.

FIG. 10 is an illustration of a display screen for receiving business contact information in a merchant account activation routine.

FIG. 11 is an illustration of a display screen for receiving business premises information in a merchant account activation routine.

FIG. 12 is an illustration of a display screen for receiving business sales data in a merchant account activation routine.

FIG. 13 is an illustration of a display screen for receiving business facility information in a merchant account activation routine.

FIG. 14 is an illustration of a display screen for receiving business procedures information in a merchant account activation routine.

FIG. 15 is an illustration of a display screen for receiving business owner information in a merchant account activation routine.

FIG. 16 is an illustration of a display screen for receiving business bank reference information in a merchant account activation routine.

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FIG. 17 is an illustration of a display screen for receiving business funding information in a merchant account activation routine.

FIG. 18 is an illustration of a display screen for receiving transaction processing type information in a merchant account activation routine.

5 FIG. 19 is an illustration of a display screen for receiving point-of-sale terminal information in a merchant account activation routine.

FIG. 20 is an illustration of a display screen for stating a fee schedule in a merchant account activation routine.

10 FIG. 21 is an illustration of a display screen for stating terms and conditions in a merchant account activation routine.

## DETAILED DESCRIPTION OF EMBODIMENTS OF THE INVENTION

15 The present invention is typically embodied in an Internet server that works in conjunction with a master account file operating on a mainframe computer and an expert computer system that is used to configure point-of-sale terminals. These facilities are typically operated by a merchant account acquirer, such as First Data Merchant Services. Many of the steps of the activation procedure are performed by a merchant activation routine running on the Internet server, which allows a merchant to apply for a merchant account during an on-line session conducted with the Internet server. Although the merchant account activation system is described in the context of the Internet, it should be understood that the system may operate with other types of distributed computing systems, such as an intranet, a wide-area network, a local-area network, a telephone-based dial-in computer system, and the like.

25 The merchant activation routine obtains application information from the applicant during an on-line session, conducts a credit check and "scores" the application as a credit risk during the on-line session. If the application is approved, the merchant activation routine displays a fee schedule and associated terms and conditions to the applicant for acceptance. In response to merchant acceptance of the terms and conditions of a merchant account during an on-line session, the merchant activation routine or an associated computer operated by the acquirer generates identification information associated with the merchant account and the point-of-sale terminal, such as a Merchant Identification Number

(MID) and a Terminal Identification Number (TID). The merchant activation routine then configures an account file for administration of the merchant account with the identification information. This account file is typically maintained in the associated mainframe computer operated by the acquirer.

5 The merchant activation routine also allows the merchant to order or specify one or more point-of-sale terminals for use in connection with the merchant account. During the on-line session, the merchant activation routine schedules these terminals for configuration with the identification information. A technician subsequently uses the associated expert computer system to configure  
10 the point-of-sale terminal. The terminal may be configured at the acquirer's premises and then shipped to the merchant. Alternatively, if the terminal is already in the possession of the merchant, the terminal may be configured remotely during a telephone call placed to the terminal.

Turning now to the figures, in which like numerals refer to like elements through the several figures, FIG. 1 is a block diagram illustrating a merchant  
15 account activation system 10 including a merchant site 12 and an acquirer site 14. In this alternative, a point-of-sale terminal 16 is shipped to the merchant site 12 as the result of an on-line session conducted over the Internet 20 between the merchant computer 18 located at the merchant site 12, and an acquirer Internet server 22 located at the acquirer site 14. In particular, a merchant activation routine 24 running on the acquirer Internet server 22 allows the merchant to activate the merchant account during the on-line session. The acquirer Internet server 22 works in conjunction with a main computer 26 including a master account file 28 that contains a record for each merchant account. The acquirer  
20 Internet server 22 also works in conjunction with an expert system 30 that a technician uses to configure point-of-sale terminals, either on-site or remotely over a telephone system.

In addition, the merchant activation routine 24 transmits a visitation request to a visitation department or company 34. This entity typically makes a physical  
30 visit to the merchant site 12 to verify that the applicant requesting the merchant account actually exists and appears to be in the identified business. The visitation department or company 34 then returns a verification indicating that the visitation has occurred and whether the applicant appears to be in the identified

business. The acquirer typically enters the visitation verification into the merchant's record in the master account file **28** to complete the record for the new merchant account.

A merchant using the merchant computer **18** accesses the acquirer Internet server **22** over the Internet **20** by entering the universal resource locator (URL) associated with the Internet server **22** into a browser operating on the merchant computer **18**. This initiates an on-line session between the Internet server **22** and the merchant computer **18** during which the merchant can apply for a merchant account. The process for completing the application is described below with reference to FIGS. 3-21. In sum, the merchant activation routine **24** running on the acquirer Internet server **22** obtains application information from the applicant during an on-line session, conducts a credit check and "scores" the application as a credit risk during the on-line session. If the application is approved, the merchant activation routine **24** displays a fee schedule and associated terms and conditions to the applicant for acceptance. In response to merchant acceptance of the terms and conditions of a merchant account during an on-line session, the merchant activation routine **24** or the associated computer **26** generates identification information associated with the merchant account and the point-of-sale terminal, such as a Merchant Identification Number (MID) and a Terminal Identification Number (TID). The merchant activation routine **24** then directly or indirectly creates a record in the master account file **28** for the new merchant account and configures the record with the MID/TID identification information.

That is, if the application is approved by the acquirer and accepted by the merchant, the merchant activation routine **24** running on the Internet server **22** directly or indirectly generates identification information including the MID associated with the merchant account and a TID associated with each point-of-sale terminal. Specifically, the Internet server **22** itself may generate the MID/TID identification information, or alternatively the Internet server **22** may trigger the main computer **26** to generate the MID/TID identification information. In either case, the identification information is preferably generated and configured into the master account file **28** during the on-line session.

The merchant activation routine **24** also allows the merchant to order or specify one or more point-of-sale terminals **16** for use in connection with the

merchant account. During the on-line session, the merchant activation routine **24** schedules these terminals for configuration with the MID/TID identification information. A technician subsequently uses the associated expert computer system **30** to configure the point-of-sale terminal **16**. The terminal may be configured at the acquirer's premises and then shipped to the merchant. In the example illustrated in FIG. 1, the technician configured the point-of-sale terminal **16** on-site, and shipping company **32** delivers the configured point-of-sale terminal **16** to the merchant site **12**.

FIG. 2 is a block diagram illustrating the merchant account activation system **10** in which a point-of-sale terminal **16'** in the possession of the merchant is reprogrammed. The merchant account activation system **10** is identical to the system described with reference to FIG. 1, except that terminal **16'** is already in the possession of the merchant. In this case, the merchant activation routine **24** receives a telephone directory number associated with the point-of-sale terminal **16'** during the on-line session. A technician subsequently uses the expert computer system **30** to place a telephone call to the telephone directory number associated with the point-of-sale terminal **16'** over the telephone system **40**, and reprograms the terminal with the MID/TID identification information during the telephone call.

FIG. 3 is a logic flow diagram illustrating the operation of a merchant account activation routine **24**. In step **302**, the merchant account activation routine **24** prompts the applicant to enter a business type selection. This prompt may ask the user to type a business type designation into a data field or, alternatively, may ask the user to select from a number of predefined business types or groups of business types. For example, the merchant account activation routine **24** may list the business types by standard industry code (SIC) definitions. In addition, the merchant account activation routine **24** may list groups of SIC definitions in which each SIC definition a particular group has a similar assigned credit risk. That is, the merchant account activation routine **24** may group SIC definitions into credit risk groups, and ask the user to select among the credit risk groups. The merchant account activation routine **24** may then apply different or additional activation measures based on the credit risk group selected by the user.

The display screens illustrated in FIGS. 8 and 9 illustrate an example of the use of SIC definitions in the assignment of credit risk groups. In this particular example, a first credit risk group shown on FIG. 8 includes furniture stores and other SIC definitions, and a second credit risk group shown on FIG. 9 includes restaurant or food store and other SIC definition. In this particular example, the first credit risk group is considered "high risk," whereas the second credit risk is not considered "high risk." As a result, the application indicating the first credit risk group activates the "high risk measures" illustrated in FIG. 5, whereas an application indicating the second credit risk group does not activate these "high risk measures."

Those skilled in the art will appreciate that many other types of menu and display screen structures may be used to obtain and group business type information. For example, a long list of SIC definitions may be presented in which each SIC definition includes a box or circle for clicking in a selection indicator. Alternatively, a list of credit risk groups may be presented in which each SIC definition includes a box or circle for clicking in a selection indicator. Any other suitable type of menu or display screen may be used to obtain this or any other type of information gathered by the merchant activation routine 24.

Step 302 is followed by routine 304, in which the merchant activation routine 24 prompts the applicant to enter merchant account information. This process is described in greater detail with reference to FIG. 4. In addition, FIGS. 9-18 show the display screens employed by the merchant activation routine 24 to prompt the applicant for this information. Routine 304 is followed by step 306, in which the merchant activation routine 24 conducts a credit check and scores the applicant as a credit risk. For example, the credit scoring routine may use a different "score-card" or credit scoring routine based on the SIC business type input by the applicant (i.e., dynamic application of score-card based on SIC). The credit check typically involves an electronic query of a credit service computer, such as that operated by the EQUIFAX credit service company or another similar system. Processes for conducting this credit check and scoring the applicant as a credit risk are well known in the art and will not be further described in this specification, except to note that these processes are automatically implemented by the merchant activation routine 24 without human

intervention during the course of the on-line session between the merchant computer **18** and the acquirer Internet server **22**.

Step **306** is followed by step **308**, in which the merchant activation routine **24** determines whether the application is for a high risk business type. This determination is typically based on the business type designation selected by the applicant, the application information (e.g., sales data), the credit check information obtained from the credit service company, or a combination of the these factors. In particular, all of this information is typically reflected in the credit risk score computed in step **306**, and the decision of step **308** may be based entirely on the basis of this score. Other factors may also be taken into account in the decision of step **308**, such as applicant's location (e.g., flood risk, crime risk, fraud risk, permanence of establishment), the credit rating of the owners, the presence of a bond or insurance to pay creditors in the event of an interruption in the operation of the business. In particular, it is desirable to identify very temporary "hit-and-run break-out fraud" types of establishments as very "high risk." Those skilled in the art will appreciate that many other types of statistical and actuarial factors may be considered in scoring the applicant as a credit risk.

If the business is classified as a "high risk" business type, the "YES" branch is followed from step **308** to routine **310**, in which the merchant activation routine **24** implements high risk measures. These high risk measures are described with reference to FIG. 5. Routine **310** and the "NO" branch from step **308** are followed by step **312**, in which the merchant activation routine **24** determines whether the application is approved. That is, some credit risks are too high and will not be approved by the merchant activation routine **24**. In this case, the applicant may elect to talk to a personal representative of the acquirer to determine whether special arrangements can be made for a merchant account under the particular risk conditions. If the application is not approved, the "NO" branch is followed to step **314**, in which the merchant activation routine **24** e-mails a rejection message to the applicant. Alternatively, a rejection message could be displayed immediately by the merchant activation routine **24**, or a rejection letter could be generated and mailed to the applicant, or some other

type of notification could be implemented. Step 314 is followed by the "END" step, which concludes the merchant activation routine 24.

If the application is approved, the "YES" branch is followed from step 312 to routine 316, in which the merchant activation routine 24 prompts the user to select or specify one or more point-of-sale terminals for use in connection with the merchant account. This process is described in greater detail with reference to FIG. 6. In addition, FIG. 19 shows the display screen employed by the merchant activation routine 24 to prompt the user to select or specify the point-of-sale terminals. Basically, the applicant must specify at least one point-of-sale terminal 16 and an associated telephone number for use in connection with the merchant account so that the MID/TID and telephone information maintained in the merchant's point-of-sale terminal is consistent with that maintained in the acquirer's master account file 28. The process of accomplishing this result is know as "activating" the merchant account for credit-card transactions.

Routine 316 is followed by step 318, in which the merchant activation routine 24 displays a service fee schedule and related terms and conditions for the merchant account. The particulars of the service fee schedule and related terms and conditions may be varied in response to the applicant's credit risk score and/or business type designation. Step 318 is followed by step 320, in which the merchant activation routine 24 determines whether the applicant has clicked a "YES" control item indicating acceptance of the fee schedule and related terms and conditions. In addition, an electronic signature or other type of legally-binding electronic indication may be required to create a binding legal contract between the merchant and the acquirer. Alternatively or additionally, a paper contract may be forwarded to the merchant for signature to memorialize the contract between the merchant and the acquirer.

If the applicant does not click "YES" to agree to the fee schedule and the terms and conditions, the "NO" branch is followed from step 320 to step 322, in which the merchant activation routine 24 or the applicant's browser may timeout. If a timeout has not occurred, the "NO" branch loops the step 318, in which the merchant activation routine 24 continues to wait for the applicant to click "YES" to accept. If a timeout has occurred, the "YES" branch is followed to the "END" step, which concludes routine 24.

If the applicant does click "YES" to agree to the fee schedule and the terms and conditions, the "YES" branch is followed from step 320 to routine 324, in which the merchant activation routine 24 directly or indirectly configures the master account file 28 with MID/TID identification information for the new merchant account. Also in routine 324, the merchant activation routine 24 schedules configuration of the point-of-sale terminal 16, either on-site for shipment to the merchant or remotely over the telephone system. Routine 324 is described in greater detail with reference to FIG. 7.

Routine 324 is followed by step 326, in which the merchant activation routine 24 issues a visitation order to the visitation department or company 34. This entity typically makes a physical visit to the merchant's premises 12 to verify that the applicant requesting the merchant account actually exists and appears to be in the identified business. The visitation department or company 34 then returns a verification indicating that the visitation has occurred and whether the applicant appears to be in the identified business. The acquirer typically enters the visitation verification into the merchant's record in the master account file 28 to complete the record. Step 326 is followed by the "END" step, which concludes the merchant activation routine 24.

FIG. 4 is a logic flow diagram illustrating routine 304 for obtaining merchant account information. Routine 304 begins following step 302 shown on FIG. 3. In step 402, the merchant activation routine 24 prompts the applicant to enter business contact information. FIG. 10 illustrates a display screen that may be used to prompt the user to enter this information. Step 402 is followed by step 404, in which the merchant activation routine 24 prompts the applicant to enter business premises information. FIG. 11 illustrates a display screen that may be used to prompt the user to enter this information. Step 404 is followed by step 406, in which the merchant activation routine 24 prompts the applicant to enter sales data. FIG. 12 illustrates a display screen that may be used to prompt the user to enter this information.

Step 406 is followed by step 408, in which the merchant activation routine 24 prompts the applicant to enter facility information. FIG. 13 illustrates a display screen that may be used to prompt the user to enter this information. Step 408 is followed by step 410, in which the merchant activation routine 24



prompts the applicant to enter business procedure information. FIG. 14 illustrates a display screen that may be used to prompt the user to enter this information. Step 410 is followed by step 412, in which the merchant activation routine 24 prompts the applicant to enter business owner information. FIG. 15 illustrates a display screen that may be used to prompt the user to enter this information. Step 412 is followed by step 414, in which the merchant activation routine 24 prompts the applicant to enter bank reference information. FIG. 16 illustrates a display screen that may be used to prompt the user to enter this information. Step 414 is followed by step 416, in which the merchant activation routine 24 prompts the applicant to enter funding information. FIG. 17 illustrates a display screen that may be used to prompt the user to enter this information. Step 416 is followed by the "CONTINUE" step 418, which returns to step 306 shown on FIG. 3.

FIG. 5 is a logic flow diagram illustrating routine 310 for activating high risk measures. Routine 310 begins following step 308 shown on FIG. 3. In step 502, the merchant activation routine 24 prompts the applicant to select a preferred type of risk adjustment. Typically, the merchant activation routine 24 displays a list of risk associated risk adjustment measures with associated click boxes or circles. The applicant may click to indicate one or more preferred risk adjustment measures. For example, the risk adjustment measures illustrated in FIG. 5 include holding a reserve fund and increasing the fees. Some applicants may be willing to maintain a substantial reserve fund with the acquirer, whereas others may prefer to pay higher risk-adjusted fees. Others may prefer a mix of these measures. Other risk adjustment measures may include obtaining insurance, a co-signatory, or maintaining a bond to cover any unrecoverable fees. Those skilled in the art may ascertain other risk adjustment measures that may be used in connection with the merchant activation routine 24. By obtaining the applicant's preference with respect to risk adjustment, the acquirer may be accommodate this preference in whole or in part.

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~~an~~ Step 502 is followed by step 504, in which the merchant activation routine 24 computes a reserve requirement for the applicant. Step 504 is followed by step 506, in which the merchant activation routine 24 computes a reserve requirement for the applicant. As noted above, the applicant's credit risk score

and preference for risk adjustment measures are preferably taken into account when computing these risk adjustment measures. Step 506 is followed by step 508, in which the merchant activation routine 24 displays the high risk terms and conditions, including the risk adjustment measures, to the applicant for acceptance.

Step 508 is followed by step 510, in which the merchant activation routine 24 determines whether the applicant has clicked a "YES" control item indicating acceptance of the risk adjusted fee schedule and related terms and conditions. In addition, an electronic signature or other type of legally-binding electronic indication may be required to create a binding legal contract between the merchant and the acquirer. Alternatively or additionally, a paper contract may be forwarded to the merchant for signature to memorialize the contract between the merchant and the acquirer.

If the applicant does not click "YES" to agree to the fee schedule and the terms and conditions, the "NO" branch is followed from step 510 to step 514, in which the merchant activation routine 24 or the applicant's browser may timeout. If a timeout has not occurred, the "NO" branch loops the step 508, in which the merchant activation routine 24 continues to wait for the applicant to click "YES" to accept. If a timeout has occurred, the "YES" branch is followed to step 516, in which the merchant activation routine 24 e-mails a rejection message to the applicant. Alternatively, a rejection message could be displayed immediately by the merchant activation routine 24, or a rejection letter could be generated and mailed to the applicant, or some other type of notification could be implemented. Step 516 is followed by the "END" step, which concludes routine 310.

FIG. 6 is a logic flow diagram illustrating routine 316 for accepting a point-of-sale terminal order or identification of a point-of-sale terminal that is already in the possession of the merchant. Routine 316 follows the "YES" branch from step 312 shown on FIG. 3. In step 602, the merchant activation routine 24 displays a table of point-of-sale terminal options. This table is illustrated in FIG. 19. Selection of the "Lease" option indicates a point-of-sale terminal to be shipped to the merchant, whereas selection of the "Customer Owned" option indicates a terminal that is already in the merchant's possession. In the table,

each point-of-sale terminal option is displayed in association with a “view” control item.

Step 602 is followed by step 604, in which the merchant activation routine 24 determines whether it has received a selection of a “view” control item. If the “view” control item has been selected, the “YES” branch is followed to step 606, in which the merchant activation routine 24 displays an image of the associated point-of-sale terminal. From step 606, the merchant activation routine 24 loops to step 602 and continues display of the table of point-of-sale terminal options.

If the “view” control item has not been selected, the “NO” branch is followed from step 604 to step 608, in which the merchant activation routine 24 determines whether the applicant has selected a control option for ordering supplies. If the control option for ordering supplies has been selected, the “YES” branch is followed to step 610, in which the merchant activation routine 24 displays a selection display screen, or a series of selection display screens, that allow the applicant to order supplies. For example, the merchant activation routine 24 may allow the applicant to order credit-card receipts and rolls of paper for use with the point-of-sale terminals. Optionally, the merchant may purchase other goods and services during the on-line session, such as software for operating an on-line store, information relating to financing alternatives, cash registers, customized stationary, and a wide variety of other supplies and information related to the operation of the merchant’s business. In step 610, the merchant activation routine 24 logs the supplies ordered for shipment to the merchant. From step 610, the merchant activation routine 24 loops to step 602 and continues display of the table of point-of-sale terminal options.

If the control option for ordering supplies has not been selected, the “NO” branch is followed from step 608 to step 612, in which the merchant activation routine 24 determines whether the applicant has ordered new point-of-sale equipment or has specified the use of point-of-sale equipment that is already in the applicant’s possession. As noted previously, this is indicated by the selection of a “Lease” option for new point-of-sale equipment or a “Customer Owned” option for point-of-sale equipment that is already in the applicant’s possession. It will be understood that an applicant may alternatively specify both options. That

is, the applicant may use some existing point-of-sale terminals and order some new ones using the merchant activation routine **24**.

If the applicant has not ordered a new point-of-sale terminal, the "NO" branch is followed from step **614** to step **616**, in which the merchant activation routine **24** prompts the applicant to enter the terminal specification and the telephone number assigned to the terminal. The "YES" branch from step **614** and step **616** is followed by the "CONTINUE" step, which returns to step **318** shown on FIG. 3. However, the merchant activation routine **24** may also prompt the applicant for a telephone number for use in connection with a new point-of-sale terminal before exiting routine **316**. In this case, the point-of-sale terminal will be shipped with its assigned telephone directory number already configured into the terminal. Alternatively, the point-of-sale terminal may be shipped without its assigned telephone directory number, and the applicant may configure the point-of-sale terminal with its assigned telephone directory upon receipt of the terminal. In this case, the point-of-sale terminal downloads its assigned telephone directory number to the acquirer's main computer **26** upon establishing an initial communication over the telephone network **40**. In either case, this information is stored in the applicant's record in the master account file **28**.

FIG. 7 is a logic flow diagram illustrating routine **324** for configuring the master account file **28** and the point-of-sale terminal **16**. Routine **324** follows the "YES" branch from step **320** shown on FIG. 3. In step **702**, the merchant activation routine **24** may generate the MID/TID identification information, or alternatively the merchant activation routine **24** may trigger the main computer **26** to generate the MID/TID identification information. In either case, step **702** is followed by step **704**, in which the identification information is configured into the master account file **26**.

Step **706** is followed by step **708**, in which the merchant activation routine **24** determines whether the applicant has ordered new point-of-sale equipment. If the applicant has ordered new point-of-sale equipment, the "YES" branch is followed step **710**, in which the merchant activation routine **24** schedules the point-of-sale terminal for configuration by a technician using the expert computer system **30**. Alternatively, this step could be automated for performance by the

expert computer system **30** without the intervention of the technician. Step **710** is followed by step **712**, in which the technician or the expert computer system **30** ships the point-of-sale terminal to the merchant.

Referring again to step **708**, if the applicant has not ordered new point-of-sale equipment, the "NO" branch is followed step **714**, in which the merchant activation routine **24** schedules the remote reprogramming of the merchant's point-of-sale terminal. A technician using the expert computer system **30** subsequently places a telephone call to the merchant's point-of-sale terminal. Alternatively, this step could be automated for performance by the expert computer system **30** without the intervention of the technician. In addition, this step could be performed in "real time" during the on-line session. In each case, step **714** is followed by step **716**, in which the technician or the expert computer system **30** reprograms the merchant's point-of-sale terminal with the assigned MID/TID identification information. Other data, such as an updated operating system and/or encryption software, may also be downloaded onto the point-of-sale terminal at this time.

Steps **712** and **716** are followed by step **718**, in which the merchant activation routine **24** determines whether the applicant has ordered other supplies. If the applicant has ordered other supplies, the "YES" branch is followed to step **720**, in which the merchant activation routine **24** cause a technician or an expert computer system to fill the order and ship the supplies. Step **720** and the "NO" branch from step **718** are followed by the "CONTINUE" step **722**, which returns to step **324** shown on FIG. 3.

FIGS. 8-21 illustrate display screens for an application for a merchant account. The process of receiving information from the applicant completing the application for the merchant account may include prompting the user to enter business contact information, business premises information, business sales data, business owner information, and information relating to funding for the charges associated with administering the merchant account. FIG. 8 is an illustration of a display screen for receiving a business type designation in a merchant account activation routine. A merchant operating a merchant computer **18** initiates an on-line session between the Internet server **22** and the merchant computer **18**. The Internet server **22** displays an opening display screen **800** for the merchant.

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The opening display screen **800** introduces the merchant to the process for completing an application for opening a merchant account. Typically, the opening display screen is the first of a series of display screens or webpages containing data fields, push buttons, radio buttons, pull down boxes, check boxes, and the like. After the merchant has read the opening display screen **800**, the merchant is prompted by a "Continue" push button **802** and a "Cancel" push button **804**. If the merchant clicks the "Continue" push button **802**, the Internet server **22** continues the application process as described in FIGS. 9-21. However, if the merchant clicks the "Cancel" push button **804**, the Internet server **22** discontinues the application process, and the Internet server **22** returns the merchant to a home page.

The opening display screen **800** contains one or more links **806** to other display screens or web pages containing relevant information. For example, a link **806** to learn more about potential business type categories can be helpful to the merchant's decision in selecting point-of-sale equipment. When the merchant clicks upon the link **806**, one or more additional display screens or web pages illustrate potential business type categories offered by the system.

FIG. 9 is an illustration of a display screen stating business type conditions in a merchant account activation routine. After the merchant clicks the "Continue" push button **802**, as shown in FIG. 8, the Internet server **22** continues the application process by displaying a business type conditions screen **900** explaining the different business type conditions needed to activate a merchant account. For example, a business type condition screen **900** can explain minimum conditions required to activate a merchant account, such as requiring the merchant to at least 18 years of age.

After the merchant has read the business type condition screen **900**, the merchant is prompted by a "Continue" push button **902** and a "Cancel" push button **904**. If the merchant clicks the "Continue" push button **902**, the Internet server **22** continues the application process as described in FIGS. 10-21. However, if the merchant clicks the "Cancel" push button **904**, the Internet server **22** discontinues the application process, and the Internet server **22** returns the merchant to a home page.

The business type condition screen **900** contains one or more links **906-910** to other display screens or web pages containing relevant information. For example, if the merchant does not see a matching business type, a link **906** to explain the potential business type categories can be helpful to the merchant's decision in selecting point-of-sale equipment. When the merchant clicks upon the link **906**, one or more additional display screens or web pages offer greater information and detail about the potential business type categories offered by the system.

FIG. 10 is an illustration of a display screen for receiving business contact information in a merchant account activation routine. After the merchant clicks the "Continue" push button **902**, as shown in FIG. 9, the Internet server **22** continues the application process by displaying a business contact information input screen **1000** permitting the merchant to input business contact information data into one or more preselected data fields **1002-1030** or blanks.

For example, data fields **1002-1030** can prompt the merchant to enter business contact information as follows. Field **1002** prompts the merchant to enter a business name. Field **1004** prompts the merchant to enter a legal business name. Field **1006** prompts the merchant to enter a street address. Field **1008** prompts the merchant to enter a city for the street address. Field **1010** prompts the merchant to enter a state for the street address. Field **1012** prompts the merchant to enter a postal zip code. Field **1014** prompts the merchant to enter a name of an authorized contract signer. Field **1016** prompts the merchant to enter a title, such as treasurer, for the authorized contract signer by clicking on and pulling down a pull down box menu. Field **1018** prompts the merchant to enter a telephone number. Field **1020** prompts the merchant to enter a facsimile or fax number. Field **1022** prompts the merchant to enter special "attention to" information. Field **1024** prompts the merchant to enter an e-mail address. Field **1026** prompts the merchant to enter a WEB store e-mail address. Field **1028** prompts the merchant to enter a type of business, such as an auto parts store, by clicking on and pulling down a pull down box menu. Field **1030** prompts the merchant to enter a business category, such as retail, by clicking on and pulling down a pull down box menu.

After the merchant has input data into a predetermined minimum number of fields **1002-1030**, the merchant computer **18** sends the merchant's data to the Internet server **22**. The Internet server **22** receives the merchant's data from the business contact information input screen **1000** and continues the application process as described in FIGS. 11-21. The predetermined minimum number of fields can be adjusted according to the necessary information required by the system to process and activate a merchant account. If the merchant does not enter data or information into the predetermined minimum number of fields, then the Internet server returns the user back to the business contact information input screen **1000** until data or information is input into the minimum number of fields. For example, the selected data fields or blanks comprising the predetermined minimum number of fields for the business contact information input screen **1000** are designated by the "\*" next to selected data fields or blanks.

FIG. 11 is an illustration of a display screen for receiving business premises information in a merchant account activation routine. The Internet server **22** continues the application process by displaying a business premises information input screen **1100** permitting the merchant to input business premises information data into one or more preselected data fields **1102-1116** or blanks.

For example, data fields **1102-1116** can prompt the merchant to enter business premises information as follows. Field **1102** prompts the merchant to enter a business zone, such as a business district, by clicking on and pulling down a pull down box menu. Field **1104** prompts the merchant to enter a general business location, such as shopping mall, by clicking on and pulling down a conventional scroll-down menu. Field **1106** prompts the merchant to enter business organization or ownership type, such as a sole proprietorship, by clicking on and pulling down a pull down box menu. Field **1108** prompts the merchant to enter a state of incorporation. Field **1110** prompts the merchant to enter a federal tax identification number or a social security number if the business is unincorporated. Field **1112** prompts the merchant to enter a date when the business first began. Field **1114** prompts the merchant to enter the size of the business by number employees. Field **1116** prompts the merchant to a short description of what goods or services the business sells to consumers.



After the merchant has input data into a predetermined minimum number of fields **1102-1116**, the merchant computer **18** sends the merchant's data to the Internet server **22**. The Internet server **22** receives the merchant's data from the business premises information input screen **1100** and continues the application process as described in FIGS. 12-21.

FIG. 12 is an illustration of a display screen for receiving business sales data in a merchant account activation routine. The Internet server **22** continues the application process by displaying a business sales data and information input screen **1200** permitting the merchant to input business sales data and information into one or more preselected data fields **1202-1214** or blanks.

For example, data fields **1202-1214** can prompt the merchant to enter business sales data and information as follows. Field **1202** prompts the merchant to enter a total cash and credit sales amount. Field **1204** prompts the merchant to enter a local or state sale tax percentage. Field **1206** prompts the merchant to select the merchant's credit card refund policies, such as exchange, store credit, or refund, by clicking on a corresponding check box. If a refund is offered under the merchant's credit card refund policies, then field **1208** permits the merchant to select the time period to submission, such as 0-3 days, by clicking on and pulling down a pull down box menu. Field **1212** prompts the merchant to enter credit card sales submission information, such as the date of order, by clicking on and pulling down a pull down box menu. Field **1214** prompts the merchant to enter an amount of annual credit card sales. Field **1216** prompts the merchant to enter an average sales amount.

After the merchant has input data into a predetermined minimum number of fields **1202-1216**, the merchant computer **18** sends the merchant's data to the Internet server **22**. The Internet server **22** receives the merchant's data from the business sales data and information input screen **1200** and continues the application process as described in FIGS. 13-21.

FIG. 13 is an illustration of a display screen for receiving business facility information in a merchant account activation routine. The Internet server **22** continues the application process by displaying a business premises information input screen **1300** permitting the merchant to input facility information data into one or more preselected data fields **1302-1306** or blanks.

For example, data fields **1302-1306** can prompt the merchant to enter business facility information as follows. Field **1302** prompts the merchant to check a box corresponding to the merchant's advertising name display, such as window, door, or store front, by clicking a corresponding box. Field **1304** prompts the merchant to select a store facility location, such as ground floor or other, by clicking a corresponding radio button. Field **1306** prompts the merchant to an amount of facility square footage, such as 250 square feet, by clicking on and pulling down a pull down box menu.

After the merchant has input data into a predetermined minimum number of fields **1302-1306**, the merchant computer **18** sends the merchant's data to the Internet server **22**. The Internet server **22** receives the merchant's data from the facility information input screen **1300** and continues the application process as described in FIGS. 14-21.

FIG. 14 is an illustration of a display screen for receiving business procedures information in a merchant account activation routine. The Internet server **22** continues the application process by displaying a business procedures information input screen **1400** permitting the merchant to input business procedures information or data into one or more preselected data fields **1402-1420** or blanks.

For example, data fields **1402-1420** can prompt the merchant to enter business procedures information as follows. Fields **1402-1406** prompt the merchant to enter a series of percentage numbers into data fields corresponding to the merchant's percentages of sales from particular sources, such as in store, mail or telephone order, and Internet, by entering an amount into a corresponding box. Fields **1408-1414** prompt the merchant to enter a series of percentage numbers into data fields corresponding to the merchant's percentages of product delivery times, such as 0-7 days, 8-14 days, 15-30 days, and 30+ days, by entering an amount into a corresponding box. Field **1416** prompts the merchant to enter how the merchant advertises, such as by brochure or mail, catalog, television or radio, and newspaper or magazine, by clicking on a corresponding check box. Field **1418** prompts the merchant to enter information disclosing the merchant's current credit card processor. Field **1420**

prompts the merchant to enter information disclosing the credit card processor's telephone number.

At the lower portion of the business procedures display screen **1400**, a navigation button bar **1422** presents the merchant buttons corresponding to application process steps, such as general info, business reference, funding info, choose processing types, order equipment, service fees, submit, and cancel. If the merchant selects one of the buttons in the navigation button bar **1422**, a corresponding display page or webpage will be presented to the merchant. Examples of each of the application process step display pages or webpages are shown and described in FIGS. 8-21.

After the merchant has input data into a predetermined minimum number of fields **1402-1422**, the merchant computer **18** sends the merchant's data to the Internet server **22**. The Internet server **22** receives the merchant's data from the business procedures data or information input screen **1400** and continues the application process as described in FIGS. 15-21.

FIG. 15 is an illustration of a display screen for receiving business owner information in a merchant account activation routine. The Internet server **22** continues the application process by displaying an owner and business reference information input screen **1500** permitting the merchant to input owner and business reference information or data into one or more preselected data fields **1502-1540** or blanks.

For example, data fields **1502-1540** can prompt the merchant to enter owner and business reference information as follows. Fields **1502-1520** prompt the merchant to enter first owner, partner or officer information. Specifically, field **1502** prompts the merchant to enter a first name. Field **1504** prompts the merchant to enter a middle initial. Field **1506** prompts the merchant to enter a last name. Field **1508** prompts the merchant to enter a street address. Field **1510** prompts the merchant to enter a city for the street address. Field **1512** prompts the merchant to enter a state for the street address. Field **1514** prompts the merchant to enter a postal zip code for the street address. Field **1516** prompts the merchant to enter a title for the first owner, such as owner, by clicking on and pulling down a pull down box. Field **1518** prompts the merchant to enter a telephone number. Field **1520** prompts the merchant to

enter a social security number. Fields **1522-1540** prompt the merchant to enter second owner, partner or officer information. Specifically, field **1522** prompts the merchant to enter a first name. Field **1524** prompts the merchant to enter a middle initial. Field **1526** prompts the merchant to enter a last name. Field **1528** prompts the merchant to enter a street address. Field **1530** prompts the merchant to enter a city for the street address. Field **1532** prompts the merchant to enter a state for the street address. Field **1534** prompts the merchant to enter a postal zip code for the street address. Field **1536** prompts the merchant to enter a title for the first owner, such as owner, by clicking on and pulling down a pull down box. Field **1538** prompts the merchant to enter a telephone number. Field **1540** prompts the merchant to enter a social security number.

After the merchant has input data into a predetermined minimum number of fields **1502-1540**, the merchant computer **18** sends the merchant's data to the Internet server **22**. The Internet server **22** receives the merchant's data from the owner or business references information input screen **1500** and continues the application process as described in FIGS. 16-21.

FIG. 16 is an illustration of a display screen for receiving business bank reference information in a merchant account activation routine. The Internet server **22** continues the application process by displaying an bank reference information input screen **1600** permitting the merchant to input bank reference information or data into one or more preselected data fields **1602-1624** or blanks.

For example, data fields **1602-1624** can prompt the merchant to enter bank reference information as follows. Field **1602** prompts the merchant to enter a bank name. Field **1604** prompts the merchant to enter a street address. Field **1606** prompts the merchant to enter a city for the street address. Field **1608** prompts the merchant to enter a state for the street address. Field **1610** prompts the merchant to enter a postal zip code for the street address. Field **1612** prompts the merchant to enter a bank contact name. Field **1614** prompts the merchant to enter a date indicating when the bank relationship began. Fields **1616** prompts the merchant to indicate whether the merchant is a borrower, such as a yes or no response, by selecting a corresponding radio button. Field **1618** prompts the merchant to enter an amount indicating the average balance

held by the bank. Field **1620** prompts the merchant to enter an amount indicating the total loan/credit facilities. Field **1622** prompts the merchant to enter an amount indicating the total of other business/personal account finances.

After the merchant has input data into a predetermined minimum number of fields **1602-1624**, the merchant computer **18** sends the merchant's data to the Internet server **22**. The Internet server **22** receives the merchant's data from the bank reference information input screen **1600** and continues the application process as described in FIGS. 17-21.

FIG. 17 is an illustration of a display screen for receiving business funding information in a merchant account activation routine. The Internet server **22** continues the application process by displaying an bank reference information input screen **1700** permitting the merchant to input funding information or data into one or more preselected data fields **1702-1704** or blanks.

For example, data fields **1702-1704** can prompt the merchant to enter funding information as follows. Field **1702** prompts the merchant to enter an American Banker's Association (ABA) number. The merchant activation routine **24** includes a control, such as a look-up to a database of valid ABA numbers, to ensure that the applicant has entered a valid ABA number. The merchant activation routine **24** will not process the application unless it receives a valid ABA number. The database of valid ABA numbers is typically updated daily, and the applicant may be given one or more opportunities to enter a valid ABA number. Field **1704** prompts the merchant to enter a Demand Deposit Account (DDA) number.

After the merchant has input data into a predetermined minimum number of fields **1702-1704**, the merchant computer **18** sends the merchant's data to the Internet server **22**. The Internet server **22** receives the merchant's data from the funding information input screen **1700** and continues the application process as described in FIGS. 18-21.

FIG. 18 is an illustration of a display screen for receiving transaction processing type information in a merchant account activation routine. The Internet server **22** continues the application process by displaying an bank reference information input screen **1800** permitting the merchant to input credit

~~card processing information or data into one or more preselected data fields 1802-1818 or blanks.~~

5 ~~For example, data fields 1802-1818 can prompt the merchant to enter credit card processing information as follows. Fields 1802-1814 prompt the merchant to select a credit card type, such as Mastercard, VISA, American Express, Discover, Diner's Club, JCB, or a debit card, by clicking on a corresponding check box. If the merchant selects American Express as a credit card type, then fields 1816-1818 prompt the merchant for further information regarding the desired American Express account, such as the need to apply for an American Express account or having an pre-existing account, by clicking on a~~  
 10 ~~corresponding radio button. If the merchant indicates that a pre-existing account has been opened, then field 1820 prompts the user to enter the existing account number. Similarly, if the merchant selects Discover as a credit card type, then field 1822 prompts the user to enter the existing account number.~~

15 At the lower portion of the credit card processing display screen 1800, a navigation button bar 1824 presents the merchant buttons corresponding to application process steps, such as general info, business reference, funding info, choose processing types, order equipment, service fees, submit, and cancel. If the merchant selects one of the buttons in the navigation button bar 1824, a  
 20 corresponding display page or webpage will be presented to the merchant. Examples of each of the application process step display pages or webpages are shown and described in FIGS. 8-21.

25 After the merchant has input data into a predetermined minimum number of fields 1802-1822, the merchant computer 18 sends the merchant's data to the Internet server 22. The Internet server 22 receives the merchant's data from the credit card processing information input screen 1800 and continues the application process as described in FIGS. 19-21.

30 FIG. 19 is an illustration of a display screen for receiving point-of-sale terminal information in a merchant account activation routine. The Internet server 22 continues the application process by displaying a point-of-sale terminal information input screen 1900 permitting the merchant to input credit card processing information or data into one or more preselected data fields 1902-1920 or blanks.

For example, data fields **1902-1920** can prompt the merchant to enter point-of-sale terminal information as follows. Field **1902** prompts the merchant to select an equipment lease or own option by clicking on a corresponding radio button. Fields **1904-1918** prompt the merchant to select an equipment option package displayed on the screen. Field **1920** prompts the merchant to select additional equipment such as an imprinter by clicking on a corresponding check box. Beside each field **1904-1918** is a table **1922** of options describing of each equipment option package, such as a model number, viewable images, lease price, availability of lease, whether the equipment can be customer-owned, and whether a debit option is available. Links **1924** to viewable images of particular equipment option packages or additional equipment can also be presented within the table **1922** or elsewhere on the display screen **1900**. In response to selecting a link **1924**, the merchant activation routine displays an image depicting the point-of-sale terminal associated with the selected view control item.

At the lower portion of the credit card processing display screen **1900**, a navigation button bar **1924** presents the merchant buttons corresponding to application process steps, such as general info, business reference, funding info, choose processing types, order equipment, service fees, submit, and cancel. If the merchant selects one of the buttons in the navigation button bar **1924**, a corresponding display page or webpage will be presented to the merchant. Examples of each of the application process step display pages or webpages are shown and described in FIGS. 8-21.

After the merchant has input data into a predetermined minimum number of fields **1902-1920**, the merchant computer **18** sends the merchant's data to the Internet server **22**. The Internet server **22** receives the merchant's data from the point-of-sale terminal information input screen **1900** and continues the application process as described in FIGS. 20-21.

FIG. 20 is an illustration of a display screen for stating a fee schedule in a merchant account activation routine. The Internet server **22** continues the application process by displaying a fee schedule information screen **2000** permitting the merchant to view fee schedule information by credit card type and by transaction description in one or more data tables **2002-2004**.

For example, data tables **2002-2004** can show the merchant fee schedule information as follows. Data table **2002** displays rate information for particular credit card types. Data table **2004** displays fee amounts for particular transaction descriptions. Other fee schedule information can be shown in the fee schedule information display screen **2000** depending upon the merchant's choices and selections made during the previous application process described in FIGS. 8-19.

At the lower portion of the fee schedule information display screen **2000**, a navigation button bar **2006** presents the merchant buttons corresponding to application process steps, such as general info, business reference, funding info, choose processing types, order equipment, service fees, submit, and cancel. If the merchant selects one of the buttons in the navigation button bar **2006**, a corresponding display page or webpage will be presented to the merchant. Examples of each of the application process step display pages or webpages are shown and described in FIGS. 8-21.

After the merchant has viewed the fee schedule information display screen **2000**, the merchant can select one of the buttons in the navigation button bar **2006**. For example, when the merchant has completed data input on the previously described application display screens shown in FIGS. 8-19, the merchant selects the "SUBMIT" button **2008** on the navigation button bar **2006**. The "SUBMIT" button **2008** indicates to the system that the merchant has completed data input and is ready to complete the application process. The Internet server **22** receives the merchant's "SUBMIT" request and continues the application process as described in FIG. 21.

FIG. 21 is an illustration of a display screen for stating terms and conditions in a merchant account activation routine. The Internet server **22** continues the application process by displaying a terms and conditions screen **2100** explaining the contractual terms and conditions to the merchant desiring to activate a merchant account. For example, a terms and conditions screen **2100** can explain accounting and debiting practices, liability limits, termination provisions, dispute resolutions terms, and guarantee and warranty conditions.

Thus, the invention allows a merchant to activate a merchant account during a single on-line session. After completing the on-line application, the merchant can begin accepting credit-card transactions as soon as the associated



point-of-sale terminal is received or reprogrammed, which may be the next business day. It should be understood that the foregoing pertains only to the preferred embodiments of the present invention, and that numerous changes may be made to the embodiments described herein without departing from the spirit and scope of the invention.

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